

Comprehensive Annual Financial Report FY2017-18

Keith DeMartini
Finance Director



JANUARY 22, 2019



AGENDA

1. CAFR – Nuts & Bolts
2. Maze & Associates - Presentation
3. General Fund Reserves
4. Internal Controls
5. Who reads the CAFR?
6. Measure A Report
7. Request to Council
8. Questions



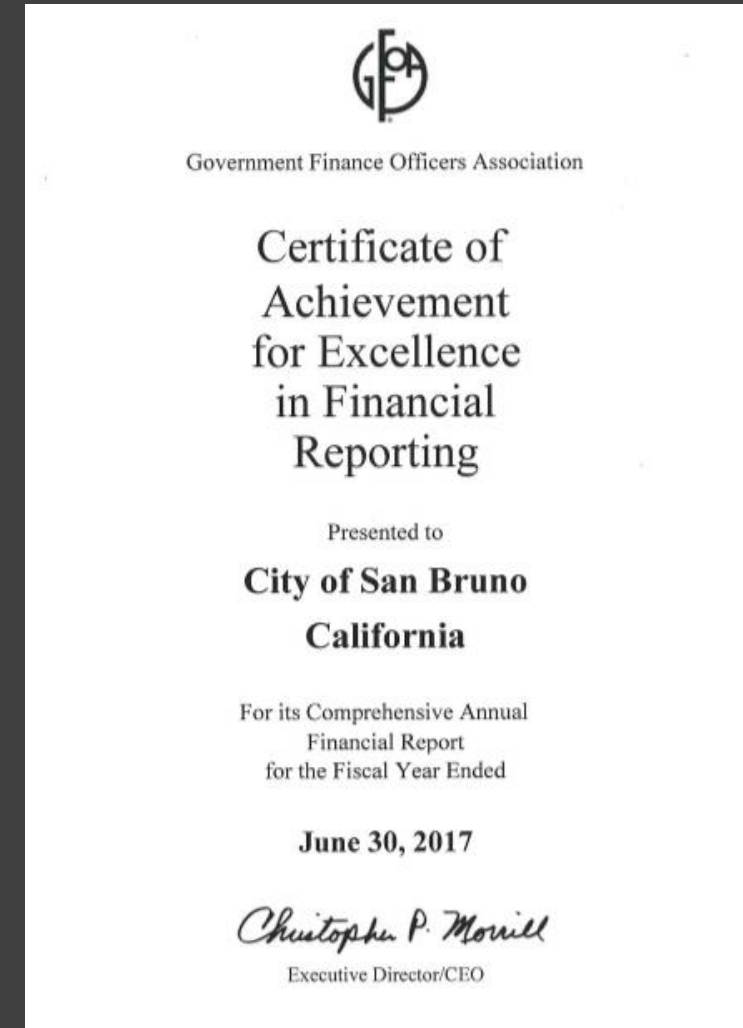
CAFR – NUTS & BOLTS

- The City retains Maze & Associates as the City's External Auditor
- Government Accounting Standards Board (GASB) reporting requirements
- Municipal Code – annual reporting requirement
- Major Sections
 1. Introduction
 2. Financial Section
 3. Notes to the Financial Statements
 4. Statistical Section



GOVERNMENT FINANCE OFFICERS ASSOC. CERTIFICATE OF ACHIEVEMENT

- Established in 1945
- 79 page checklist of criteria evaluated by Government Finance professionals
- San Bruno has received this award 8 years in a row!



Independent Auditor Maze & Associates

Comprehensive Annual Financial Report FY2017-18

David Alvey, CPA
Audit Partner



JANUARY 22, 2019

AGENDA

1. Overview and Audit Results
2. Financial Statement Highlights
3. Memorandum on Internal Controls

ANNUAL AUDIT OVERVIEW

- Maze and Associates – we are an independent CPA firm, independent of City of San Bruno
- Audit timing:
 - **Interim** – week in April 2018
 - **Final** – week in October 2018
 - **Opinion Date** – December 18, 2018
- Audit was conducted according to auditing standards generally accepted in the United States and *Government Auditing Standards* issued by the Comptroller General of the United States

■ Independent Auditor's Report

Fairly stated, in all material respects... conformity with accounting principles generally accepted (GAAP) in the USA.

FINANCIAL STATEMENT HIGHLIGHTS – GOVERNMENT-WIDE

- Net position increased by \$13.6 million to \$126 million during the year.
- Net Pension Liability increased by \$11 million to \$89.2 million.

FINANCIAL STATEMENT HIGHLIGHTS – GOVERNMENTAL FUNDS

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>
Assets:			
Cash and investments	\$16,253,360	\$12,953,339	\$3,300,021
Receivables	3,906,841	3,928,505	(21,664)
Other assets	<u>12,442,698</u>	<u>11,277,808</u>	<u>1,164,890</u>
Total assets	<u>32,602,899</u>	<u>28,159,652</u>	<u>4,443,247</u>
Liabilities:			
Accounts Payable	4,238,853	3,418,242	820,611
Unearned revenue	<u>205,647</u>	<u>166,073</u>	<u>39,574</u>
Total liabilities	<u>4,444,500</u>	<u>3,584,315</u>	<u>860,185</u>
Fund balance	<u>\$28,158,399</u>	<u>\$24,575,337</u>	<u>\$3,583,062</u>

FINANCIAL STATEMENT HIGHLIGHTS – GOVERNMENTAL FUNDS

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>
Revenues:			
Taxes	\$25,582,177	\$25,121,068	\$461,109
Licenses and permits	3,711,597	3,705,582	6,015
Intergovernmental	4,632,807	4,386,270	246,537
Charges for services	3,301,524	3,294,858	6,666
Fines and forfeitures	6,787,588	756,401	6,031,187
Use of money and property	1,045,990	1,186,573	(140,583)
Other revenues	<u>4,724,121</u>	<u>3,856,015</u>	<u>868,106</u>
Total revenue	<u>\$49,785,804</u>	<u>\$42,306,767</u>	<u>\$7,479,037</u>

FINANCIAL STATEMENT HIGHLIGHTS – GOVERNMENTAL FUNDS

Expenses:	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>
General government	5,518,989	4,805,239	713,750
Public safety	24,748,911	23,064,263	1,684,648
Public works	984,844	852,334	132,510
Highway and streets	1,426,545	1,614,274	(187,729)
Parks and recreation	5,571,742	4,807,847	763,895
Library	2,013,399	1,834,720	178,679
Community development	2,812,722	2,636,480	176,242
Capital outlay	288,638	2,540,142	(2,251,504)
Debt Service		1,089,000	(1,089,000)
Other financing sources	<u>2,836,952</u>	<u>3,339,511</u>	<u>(502,559)</u>
Total expenses	<u>46,202,742</u>	<u>46,583,810</u>	<u>(381,068)</u>
Net change in fund balance	3,583,062	(4,277,043)	7,860,105
Beginning fund balance	<u>24,575,337</u>	<u>28,852,380</u>	<u>(4,277,043)</u>
Ending fund balance	<u>\$28,158,399</u>	<u>\$24,575,337</u>	<u>\$3,583,062</u>

FINANCIAL STATEMENT HIGHLIGHTS – ENTERPRISE FUNDS

	Water	Stormwater	Wastewater	Cable
Assets	\$66.4	\$6.7	\$92.3	\$5.4
Liabilities	19.5	0.7	45.8	19.3
Net Position	48.9	6.2	47.5	(12.0)
Change from FY17	\$4.4	(\$0.6)	\$5.0	(\$2.5)

- No material weaknesses
- No significant deficiencies
- Other Matters
 - Internal Control
 - Cable Fund

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Management's Response

Keith DeMartini
Finance Director



JANUARY 22, 2019



GENERAL FUND RESERVES

Item	Reserve Type	Amount (\$ Millions)
1	General Fund Reserve	\$11.2
2	General Fund Contingency	\$2.1
3	Emergency Disaster	\$3.1
4	Capital Improvements/One-Time Initiative	\$7.3
5	Central Garage	\$0.2
6	Technology	\$0.2
	Total	\$24.1



INTERNAL CONTROLS

- No material weaknesses or significant deficiencies
- Payroll – Segregation of Duties
- Cable Enterprise – Interfund Balance



WHO READS THE CAFR?





MEASURE A REPORT

- Ensure compliance with the agreement for distribution of San Mateo County Measure A funds for local transportation purposes



REQUEST TO CITY COUNCIL

- Adopt a resolution accepting the City's Comprehensive Annual Financial Report and the Measure A Fund Report on compliance for the fiscal year ended June 30, 2018

Questions

